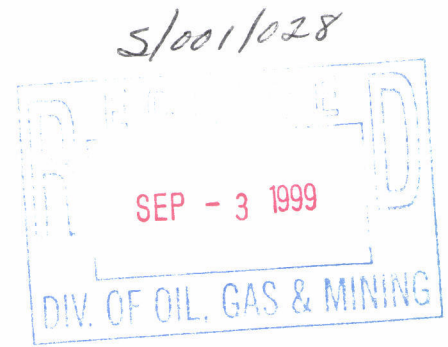


August 31, 1999

Tom Munson  
State of Utah, Dept. of Natural Resources  
P.O. Box 145801  
Salt Lake City, UT 84114-5801



Re: Your letter of 8.25.99 Red Hill #1

Greetings,

It was good to talk to you today and review your letter. As discussed there are several items that are not correct.

A. Red Hill #1 mining claim no longer exists. I purchased that claim from Eugene Hodges a few years back and recently discovered that it was on top of a valid mining claim registered as the mint. I have made a deal with those owners to pay a royalty on the small quarry project we have in mind.


B. The history of this claim goes back 30 or more years to Eugene Hodges, his father etc. etc.. They plowed trees down, made major cuts into three small canyon areas and made a general mess of things over the years. When we purchased the claim from Hodges we made a commitment to the present owner and to the B.L.M. to restore the area and clean it up. To date we have spent over \$15,000.00 cleaning up trash, grading roads, picking up and burning trees that we pushed off to the side of the roads and creating good roads, quarry drainage situations that will not create major erosion problems.

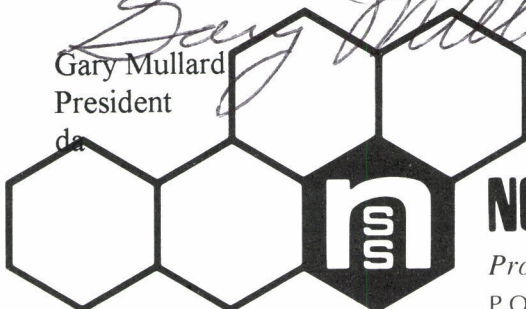
C. Our quarry operation produces no more than 100 tons of finished product and has not disturbed more than one acre that we are glad to be responsible for.

D. You indicated that the minimum annual fee is \$100.00. I received a bill for \$200.00? (See copy enclosed.)

I am enclosing our check for \$100.00 to cover the 1999 fees. Please review and advise. Hope to see you in Oakley one day soon.

Sincerely,

  
Gary Mullard  
President



**NORTHERN STONE SUPPLY, INC.**

*Producing Quality Building Stone Products for Worldwide Distribution*

P.O. BOX 249 / OAKLEY, IDAHO 83346 / (208) 862-3353 / FAX (208) 862-3846



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

NORTHERN STONE SUPPLY  
203 W MAIN  
PO BOX 249  
OAKLEY ID 83346

ATTENTION: GARY MULLARD

## ANNUAL PERMIT FEE

Annual Permit Fees (July 1999 thru June 2000)

PROJECT NAME	PROJECT ID	ACRES	BILLING DATE
RED HILL #1	S010028	NA	08/26/1999
PERMIT TYPE	PROJECT STATUS		ANNUAL FEE
SMALL MINING OPERATION < 5 ACRES	ACTIVE		\$ 200
			PAST DUE
			\$ 0
	DUE DATE		AMOUNT DUE
	09/24/1999		\$ 200

*Annual fee should be \$100.00*

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing information call (801) 538-5291

This portion **MUST** be returned with your payment to ensure proper credit. **THANK YOU**

ACCOUNT BILLED				PROJECT NAME		PROJECT ID	
NORTHERN STONE SUPPLY				RED HILL #1		S010028	
DUE DATE	ANNUAL FEE	PAST DUE	AMOUNT DUE	<input type="checkbox"/> FEE NOT ENCLOSED			
09/24/1999	\$ 200	\$ 0	\$ 200	Permittee requests an inspection to close out this permit.			
TAX ID OR SOCIAL SECURITY #				Change of Address			
				Contact			
				Address			
				State			
				Zip			
				Phone			

DIVISION OF OIL GAS AND MINING  
1594 WEST NORTH TEMPLE SUITE 1210  
PO BOX 145801  
SALT LAKE CITY UT 84114-5801

Change of Address	
Contact	
Address	
State	
Zip	
Phone	

Please make check payable to:  
Division of Oil, Gas and Mining



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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801-538-5340

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801-538-7223 (TDD)

August 25, 1999

CERTIFIED RETURN RECEIPT  
P 074 976 754

Gary Mullard  
Northern Stone Supply  
203 West Main  
P.O. Box 249  
Oakley, Idaho 83346

Re: Permit Fees Due - Denial of File Closure, Northern Stone Supply, Red Hill #1 Project, S/001/028, Beaver County, Utah

On July 22, 1999 I performed an inspection of your Red Hill #1 small mining project located in Beaver County, Utah. As this project is located on Bureau of Land Management (BLM) managed lands, an official from the BLM Cedar City Field Office accompanied me on the inspection.

We discovered approximately 2-3 acres of disturbance at the site which included three mining areas and a large turn around. Equipment was located on site and there was evidence of recent activity. In July 1998, you requested that the Division inspect and close the file for this project in lieu of paying the permit fee for this project. **As the project site is not reclaimed, your request to close the file and not pay the fee is denied.** Therefore, the 1998 and the 1999 annual permit fees in the amount of \$200.00 are now due and payable. A billing statement is enclosed. Please submit the payment by September 24, 1999.

Thank you for your prompt attention to this matter. If you have any questions regarding this letter, please contact me at (801) 538-5321 or my supervisor, D. Wayne Hedberg at 538-5286.

Sincerely,

Tom Munson  
Senior Reclamation Specialist

jb

Enclosure: billing statement

cc: Ed Ginouves, BLM, Cedar City FO (

D. Wayne Hedberg, DOGM

S01-28.fee